

# Phillip Asia Pacific Growth Fund

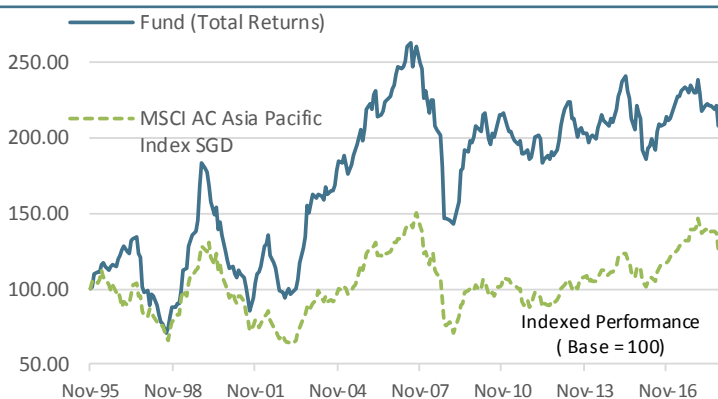
NOVEMBER 2018

## INVESTMENT OBJECTIVE & FOCUS

The investment objective of the Fund is to achieve medium to long term capital appreciation through investing the Deposited Property primarily in investments in or of companies with either assets wholly or partially in, or revenues wholly or partially derived from investment in countries and territories in the Asia Pacific region (including Japan, Australia and New Zealand) selected by the Managers for the purpose of investment of the Deposited Property. The total overall investment in equities or shares of companies in Emerging Markets is capped at 50% of the Value of the Deposited Property. The Fund is growth oriented and is authorised to invest in stocks and bonds, including but not limited to convertible bonds.

The Managers seek to identify emerging trends, underappreciated growth prospects and undervalued franchises. The Managers combine top-down and bottom-up approaches in managing the Fund; top-down approach tackles the asset and geographical allocation decisions while bottom-up approach tackles vigorous quantitative and qualitative analysis to determine the absolute and relative attractiveness of the securities. Subject to the provisions of the Code on Collective Investment Schemes issued by the MAS ("Code"), the Managers may also invest the Deposited Property into money market funds and collective investment schemes, including money market funds and collective investment schemes managed by the Managers during such time or times and on such terms as the Managers think fit in accordance with the investment objective and focus of the Fund. The management fees charged by the money market funds and collective investment schemes managed by the Managers will be rebated to the Fund, as may be agreed between the Managers and the Trustee. The Managers currently use financial derivative instruments ("FDIs") for the purpose of hedging and/or efficient portfolio management.

## FUND PERFORMANCE (AS AT 30 NOV 2018)



	FUND	BENCHMARK
<b>TOTAL RETURNS</b>		
Since Inception	110.64%	27.86%
1 month	1.16%	1.73%
3 months	-3.99%	-7.23%
Year To Date	-8.34%	-9.25%

## ANNUALISED RETURNS

	FUND	BENCHMARK
1 year	-8.47%	-8.27%
3 years	-0.96%	4.29%
5 years	0.66%	3.41%
10 years	3.69%	5.37%
Annualised Returns Since Inception	3.29%	1.07%

Fund Performance are cumulative returns and calculated on a Single pricing basis, with any income or dividends reinvested as of 30 Nov 2018. Source: Bloomberg & Phillip Capital Management (S) Ltd.

## FUND AWARDS

### Standard and Poor's Fund Awards

Winner in the Equity Asia Pacific - 3 years Category (2004, 2005 and 2006)  
 Winner in the Equity Asia Pacific - 5 years Category (2004, 2005, 2006 and 2007)

### The Edge Lipper Fund Awards

Lipper Singapore Unit Trust Fund Awards—Equity Asia Pacific over Five Years (2003)  
 Best Fund over One Year - Equity Asia Pacific (2004)  
 Best Fund over Three Years - Equity Asia Pacific (2004, 2005 & 2006)  
 Best Fund over Five Years - Equity Asia Pacific (2004, 2006 & 2007)  
 Best Fund over Ten Years - Equity Asia Pacific (2010)

## FUND INFORMATION

Current Fund Size	S\$18.37 million
NAV Price	S\$2.0010
Investment Manager	Phillip Capital Management (S) Ltd
Inception Date	23 November 1995
Inception Price	S\$0.95
Benchmark	MSCI AC Asia Pacific Index SGD
Subscription Mode	Cash/ SRS (UR 0131)
Bloomberg Ticker	AIBAPGI SP Equity
ISIN Code	SG9999006019
Minimum Initial Investment	S\$1,000
Minimum Subsequent Investment	S\$500
Minimum Holdings	1000 units or \$1000 equivalent
Initial Sales Charge	Currently up to 5%, maximum 5%
Management Fee (p.a.)	Currently 1.25%, maximum 1.75%
Switching Fee	Currently up to 1%, maximum 1%
Dealing Frequency	Daily SGT 3:30pm
Pricing	Forward Pricing
Realisation Fee	Currently NIL, maximum 1%
Trustee's Fee	Currently 0.2%, maximum 0.4%, subject to a minimum S\$25,000 p.a.

## ASSET ALLOCATION

Equities	95.72%
Cash and Accruals	4.28%

**GEOGRAPHICAL ALLOCATION  
(TOP TEN)**

Japan	38.18%
China	15.36%
Singapore	13.09%
South Korea	5.89%
Hong Kong	4.48%
Taiwan	3.41%
United Kingdom	3.37%
Thailand	3.35%
Australia	3.28%
India	2.80%

**SECTOR ALLOCATION**

Financial	25.92%
Consumer, Non-cyclical	16.67%
Industrial	14.05%
Consumer, Cyclical	12.64%
Funds	9.98%
Communications	5.26%
Technology	4.38%
Basic Materials	4.21%
Energy	2.62%

**TOP TEN HOLDINGS**

Phillip SING Income ETF
Sony Corp
HSBC Holdings PLC
China Construction Bank Corp
Sumitomo Mitsui Financial Group
Kao Corp
Mitsubishi Corp
Alibaba Group Holding Ltd
China Life Insurance Co Ltd
Samsung Electronics Co Ltd

*All figures above as at 30 Nov 2018 unless stated otherwise.*

*Sources: Phillip Capital Management (S) Ltd & Bloomberg.*

**MANAGER'S COMMENTARY**

Asia-Pacific markets saw some rebound in November following a broad-based market correction the previous month, on some dovish talk from the Federal Reserve sparking hope that interest rate hikes may soon come to an end, as well rising market hopes that the US and China would come to some kind of trade truce at the G20 summit at the end of November. For the month, the MSCI AC Asia Pacific Index was up 1.7% in Singapore dollar terms. Among major Asia-Pacific markets, Indonesia and India were among the best performing markets, while on the other hand Malaysia, Taiwan and Thailand were laggards for the month.

The Fund rose 1.3% for November. Within the month, we bought **Daikin Industries**, **Daiwa House Industry** and **Japan Airport Terminal** in Japan. All these are leading companies in their respective fields: Daikin is a global leader in air-conditioning equipment, Daiwa House Industry is one of the biggest domestic builders of residential and commercial properties, and Japan Airport Terminal is the operator of (among others in its portfolio) Haneda Airport, one of the two primary airports serving Greater Tokyo. All these are quality companies trading at big corrections from their 2018 price highs, the type that we are looking for in the current uncertain environment. We sold out of steel stock **JFE Holdings** given thinning steel margins, and also sold out of **Mitsui Fudosan** and **Wesfarmers** in order to reallocate to the above picks.

In view of the current market uncertainty, in terms of stocks to hold for the portfolio, our approach is two-pronged: the first is to focus on quality companies with strong competitiveness, and secondly to buy stocks that will benefit from long-term consumption and urbanisation trends in Asia, particularly those with a domestic consumption bent. A volatile trading environment also throws up opportunities to capture short-term trading gains; we will also look to capture these opportunities where they become available.

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